

**Assembly Bill No. 408**

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Passed the Assembly    August 31, 2001

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*Chief Clerk of the Assembly*

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Passed the Senate    August 30, 2001

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day of  
\_\_\_\_\_, 2001, at \_\_\_\_\_ o'clock \_\_M.

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*Private Secretary of the Governor*

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## CHAPTER \_\_\_\_\_

An act to amend Sections 7617.1, 7623, 7630, 7685.3, 9662, and 9780 of, and to add Section 9780.5 to, the Business and Professions Code, relating to human remains, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 408, Correa. Funeral, cemetery, and crematory establishments.

Existing law requires an officer of a corporation or association or a partner of the partnership appearing for an applicant for a funeral establishment license to be at least 18 years of age and to have not committed acts or crimes constituting grounds for denial of licensure.

This bill would require all officers of a corporation or association or all general partners of a partnership appearing for an applicant for a funeral establishment license to be at least 18 years of age and to have not committed acts or crimes constituting grounds for denial of licensure.

Existing law requires a funeral director to obtain a separate license for each funeral establishment the director operates.

This bill would require the funeral establishment to obtain a separate license for each funeral establishment operated.

Existing law allows the assignment of a funeral establishment's license if, among other things, a licensed funeral director manages, directs, or controls the business of the funeral establishment.

This bill would authorize the assignment of a funeral establishment's license upon receipt of a satisfactory audit, performed by a licensed certified public accountant or public accountant, that verifies the accuracy of the establishment's trust fund balances and reports the establishment's compliance with certain provisions of the Funeral Directors and Embalmers Law.

Existing law authorizes a crematory to be established, operated, or maintained by corporations, partnerships, or individuals that have a valid crematory license issued by the Cemetery and Funeral Bureau.

This bill would delete the cemetery authority exemption from the crematory license requirement and would provide that any



existing crematory operated by a licensed cemetery authority on January 1, 2002, shall have until January 1, 2003, to submit an application for a crematory license. The bill would require the bureau to be notified of any change of equitable interest of 50% or more in a crematory and would require that a new owner obtain a new crematory license from the bureau.

Because this bill would lead to an increase in certain fees and fines that are deposited in the Funeral Directors and Embalmers Fund and the Cemetery Fund, both of which are continuously appropriated, the bill would make an appropriation.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 7617.1 of the Business and Professions Code is amended to read:

7617.1. The applicant for a funeral establishment license, or in the case the applicant is an association, partnership, or corporation, all officers of the corporation or association or all general partners of the partnership shall be at least 18 years of age and shall not have committed acts or crimes constituting grounds for denial of licensure under Section 480.

SEC. 2. Section 7623 of the Business and Professions Code is amended to read:

7623. If an applicant for a funeral establishment license proposes to engage in or conduct more than one funeral establishment, the applicant shall make a separate application and procure a separate license for each separate establishment.

SEC. 3. Section 7630 of the Business and Professions Code is amended to read:

7630. A funeral establishment's license may be assigned upon payment of the fee fixed by this chapter and upon submission of an audit report prepared and signed by an independent certified public accountant or public accountant currently licensed in this state. The audit report shall include an unqualified opinion on the accuracy of the trust fund balances and a report of compliance with the provisions of this article and Article 9 (commencing with Section 7735). Any shortages in the trust funds shall be funded.

The assignee shall comply with all provisions previously placed on the assignor.



SEC. 4. Section 7685.3 of the Business and Professions Code is amended to read:

7685.3. The current address, telephone number, and name of the Department of Consumer Affairs, Cemetery and Funeral Bureau shall appear on the first page of any contract for goods and services offered by a funeral director. At a minimum, the information shall be in 8-point boldface type and make this statement:

“FOR MORE INFORMATION ON FUNERAL, CEMETERY, AND CREMATION MATTERS, CONTACT: DEPARTMENT OF CONSUMER AFFAIRS, CEMETERY AND FUNERAL BUREAU (ADDRESS), (TELEPHONE NUMBER).”

SEC. 5. Section 9662 of the Business and Professions Code is amended to read:

9662. The current address, telephone number, and name of the bureau shall appear on the first page of any contract for goods and services offered by a cemetery authority or crematory. At a minimum, the information shall be in 8-point boldface type and make the following statement:

“FOR MORE INFORMATION ON FUNERAL, CEMETERY, AND CREMATION MATTERS, CONTACT: DEPARTMENT OF CONSUMER AFFAIRS, CEMETERY AND FUNERAL BUREAU, (ADDRESS), (TELEPHONE NUMBER).”

A cemetery authority or crematory operator shall supply the above information in writing when presenting a sales contract to any individual.

SEC. 6. Section 9780 of the Business and Professions Code is amended to read:

9780. A crematory established, operated, or maintained, may be operated by a corporation, partnership, or natural person, provided that a valid crematory license shall have been issued by the bureau. Any existing crematory operated by a licensed cemetery authority on January 1, 2002, shall have until January 1, 2003, to make application for a crematory license.

SEC. 7. Section 9780.5 is added to the Business and Professions Code, to read:



9780.5. Any change in the ownership of a crematory shall be reported to the Cemetery and Funeral Bureau. Any transfer in a single transaction or a related series of transactions of more than 50 percent of the equitable interest in a licensed crematory shall constitute a change of ownership. When a change of ownership in a crematory occurs, the existing crematory license shall lapse and the new owner shall obtain a new license from the bureau as otherwise provided in this act. The bureau shall not require an applicant under this section to obtain any new permit or license from any other governmental agency when the existing permit or license is valid.



Approved \_\_\_\_\_, 2001

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*Governor*

